

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Assessor	(2) MEETING DATE 4/12/2016	(3) CONTACT/PHONE Charron Sparks 781-5646	
(4) SUBJECT Request to approve a resolution requiring assessment staff who make change in ownership and exemption decisions be certified by the State Board of Equalization. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a resolution requiring assessment staff who make change in ownership and exemption decisions be certified by the State Board of Equalization.			
(6) FUNDING SOURCE(S) NA	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? NA
(10) AGENDA PLACEMENT { X } Consent { } Presentation { } Hearing (Time Est. ____) { } Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS { X } Resolutions { } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) NA		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: NA { } 4/5 Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Assessor / Charron Sparks 781-5646

DATE: 4/12/2016

SUBJECT: It is recommended that the Board approve a resolution requiring assessment staff who make change in ownership and exemption decisions be certified by the State Board of Equalization.

RECOMMENDATION

It is recommended that the Board approve a resolution requiring assessment staff who make change in ownership and exemption decisions be certified by the State Board of Equalization.

DISCUSSION

In 2015, the California Legislature passed, and the Governor approved, Assembly Bill 1534. Assembly Bill 1534, Chapter 446, prohibits an assessor or any person employed by the office of the county assessor from making decisions with regard to change in ownership, or with regard to property tax exemptions, except a homeowners' exemption claim, unless he or she is the holder of a valid assessment analyst certificate issued by the Board of Equalization. However, its provisions only apply in those counties that have passed a resolution. The assessor recommends that the resolution be passed in San Luis Obispo County.

Certification of assessment staff will help ensure consistency in application of laws, and ensure that such staff maintain up-to-date training every year. Certified staff must have twenty-four hours of training in their area of expertise every year. If they obtain an advanced certificate, they must have twelve hours of training in their area of expertise every year. Only training approved by the Board of Equalization will qualify towards their required training hours.

Currently, training for staff who make change in ownership and exemption decisions does not have to be approved by the Board of Equalization, nor is there a required minimum number of training hours every year, nor is any testing required. The new law requires staff to take and pass a proficiency exam administered by the Board of Equalization in order to be certified. Additional testing would be required for an advanced certificate.

Under Proposition 13, real property is reassessed to current market value only upon a change in ownership, as defined by law, or completion of new construction. In addition, Proposition 13 generally limits annual increases in the base year value of real property to no more than 2 percent, except when property changes ownership or undergoes new construction.

Change in ownership decisions have an immense impact on the county, first by affecting the lives of county residents and property owners, and second by affecting the county budget. In addition to change in ownership decisions, there are exemption decisions (some examples of property exemptions are the Religious, Welfare, Disabled Veteran, and Public School exemptions) that remove over a billion dollars of assessed value from the local tax roll annually. Errors result either in property owners paying more than they should, which has an adverse effect on property owners and renters, or in property owners paying less than they should, which has an adverse effect on the county budget, as well as special districts and other entities that receive allocations from property tax dollars. Any misallocation of revenues results ultimately in an adverse effect on our citizens.

Assessment staff who determine value – appraisers – have been required to obtain and maintain certification through the

State Board of Equalization since the 1960s. Because the use of appraisers to value property is used in many businesses, both in the public and private sector, industry standards and training have been developed and there is general recognition of the difficulty and importance of the job. The necessity of certification is easy to understand.

People who must understand and apply change in ownership and exemption laws are found only in California assessor offices, and they are not attorneys. While some attorneys understand some of the complexities, it is very rare for any attorney to understand the full application of change in ownership and exemption laws. Determining when a change in ownership occurs, and when an exclusion should apply, has gained in complexity every year. Decisions affecting if and when a property should be reassessed is no less important than decisions relating to the appraised value of the property. Because the job is so specialized, it requires a level of knowledge to properly apply the mix of statutes, regulations, court cases, and Board of Equalization interpretation to change in ownership and exemption decisions.

By requiring certification of staff who make these decisions, the county is recognizing the significant impact such decisions have on the county and its citizens. Assessment staff who make these decisions should be required to pass a proficiency exam, and should be required to have annual training that meets the minimum requirements set by the State Board of Equalization. [Government Code Section 15606 mandates that the State Board of Equalization shall "prepare and issue instructions to assessors designed to promote uniformity throughout the state and its local taxing jurisdictions in the assessment of property for the purposes of taxation."] Twelve members of the Assessor's staff will be impacted by the passage of this resolution.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the legislation, and approved the proposed resolution as to form and legal effect. Human Resources will be required (and is prepared) to update the job specifications for the Property Transfer Technician series and seek approval from the Civil Service Commission once the resolution is approved. No other departments are effected.

FINANCIAL CONSIDERATIONS

There is no impact to the FY 2015-16 budget. Any training costs will be absorbed by the Department.

RESULTS

Certification of assessment staff who make change in ownership and exemption decisions will help ensure consistency of application and training. Working to make informed and accurate decisions and the elimination of errors supports the Department Mission of providing accurate property assessments which in turn supports the County's goal of a well-governed community.

ATTACHMENTS

1. Resolution requiring assessment staff who make change in ownership and exemption decisions to be certified by the California Board of Equalization